

AMENDED IN ASSEMBLY AUGUST 7, 2006

AMENDED IN ASSEMBLY JUNE 22, 2006

AMENDED IN SENATE MAY 2, 2006

AMENDED IN SENATE APRIL 20, 2006

SENATE BILL

No. 1427

Introduced by Senator Chesbro

February 22, 2006

An act to add Section 14132.103 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, as amended, Chesbro. Medi-Cal: federally qualified health centers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which health care services are provided to qualified low-income persons. Federally qualified health center (FQHC) services described under federal law are covered Medi-Cal benefits. Existing law includes within the definition of an FQHC certain entities known as FQHC look-alikes, which have been determined to meet specified funding requirements, but have not received that funding.

Existing law requires that FQHCs be reimbursed on a per-visit basis, and allows an FQHC to apply for an adjustment to its per-visit rate based on a change in the scope of services it provides.

This bill would, subject to the availability of federal financial participation, require reimbursement under the Medi-Cal program for FQHC services, as described under federal law, to an FQHC patient, as defined, by FQHC service providers, as defined, at locations other

than an FQHC's primary care clinic site, under designated circumstances, subject to prescribed reimbursement rate limitations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Federally qualified health centers (FQHCs) and FQHC
4 look-alikes are required to meet the program expectations for
5 entities funded pursuant to Section 330 of the Public Health
6 Services Act as amended by Public Law 104-299, the Health
7 Centers Consolidation Act of 1996 (Section 254b of Title 42 of
8 the United States Code), and as interpreted by the Health
9 Resources and Services Administration, Bureau of Primary
10 Health Care (BPHC).

11 (b) Based on the federal Bureau of Primary Health Care
12 (BPHC) Policy Information Notice 98-23 outlining program
13 requirements for FQHCs, FQHCs and FQHC look-alikes are
14 required to provide, directly or through contracts or cooperative
15 arrangements, basic health services, including primary care,
16 diagnostic laboratory and radiologic services, preventive
17 services, including prenatal and perinatal services, cancer and
18 other disease screening, well child services, immunizations
19 against vaccine-preventable diseases, screening for elevated
20 blood lead levels, communicable diseases and cholesterol, eye,
21 ear, and dental screening for children, family planning services
22 and preventive dental services, emergency medical and dental
23 services, and pharmaceutical services, as appropriate to a
24 particular health center.

25 (c) According to the BPHC, FQHCs and FQHC look-alikes
26 are required to provide services at locations that ensure services
27 are accessible to the community being served, including at
28 locations ranging from homeless shelters to migrant farmworker
29 camps to public housing communities to schools.

30 (d) In addition, the BPHC requires FQHCs and FQHC
31 look-alikes with programs serving people who are homeless or
32 mobile to engage in extensive outreach to provide services
33 wherever the patients are.

SEC. 2. Section 14132.103 is added to the Welfare and Institutions Code, to read:

14132.103. (a) Subject to the reimbursement provisions of Section 14087.325, and Sections 14132.100 to 14132.102, inclusive, when billed at the federally qualified health center's (FQHC) prospective payment system rate, the department shall pay the FQHC's rate for FQHC services, as described in subparagraph (C) of paragraph (2) of subdivision (a) of Section 1396d of Title 42 of the United States Code, which are provided by FQHC service providers who are licensed pursuant to the Business and Professions Code, as defined in paragraph (3) of subdivision (b), at locations other than the FQHC's clinic site or sites, when approved as within the FQHC's scope of project by the Health Resources and Services Administration to the extent required by federal law, and including both of the following locations:

~~(1) Where FQHC services of the types commonly furnished in the clinic setting are provided to FQHC patients.~~

(1) Where the services are consistent with the facility's responsibilities as an FQHC.

(2) Where services are provided to FQHC patients at a location that will ensure continuity of care for health maintenance or medical reasons.

(b) For purposes of this section:

(1) "FQHC" includes an FQHC look-alike, as described in subclause (II) of clause (ii) of subparagraph (B) of paragraph (2) of subdivision (l) of Section 1396d of Title 42 of the United States Code.

(2) "FQHC patient" means an individual who receives services at a clinic licensed or exempt from licensure under Section 1204 or 1206 of the Health and Safety Code, a mobile health care unit licensed or exempt from licensure under Chapter 9 (commencing with Section 1765.101) of Division 2 of the Health and Safety Code, operated by an FQHC, or at other locations for which the costs of services are included in the FQHC costs and the services are included as part of the FQHC's scope of project to the extent required by federal law.

(3) "FQHC service provider" means a provider of the type described in subdivision (g) of Section 14132.100 who is either

1 on the staff of the FQHC as an employee or is an independent
2 contractor *under the governance of the FQHC*.

3 (c) ~~—(1)—~~An FQHC shall not bill its prospective payment
4 system rate for health care services to FQHC patients *provided*
5 *under arrangement at locations other than clinic settings*
6 *operated by, and within the scope of project of, an FQHC* for the
7 purpose of passing through the FQHC's prospective payment
8 system rate to another Medi-Cal provider.

9 ~~(2) Paragraph (1) shall not apply to patients receiving health~~
10 ~~care services at locations specified in paragraph (2) of~~
11 ~~subdivision (b).~~

12 (d) Notwithstanding subdivision (c), an FQHC may bill its
13 prospective payment system rate, and the department shall pay
14 the rate, for services furnished to FQHC patients under an
15 arrangement with a provider of a type described in subdivision
16 (g) of Section 14132.100, who is not an FQHC provider, when
17 services are delivered at locations other than ~~those described in~~
18 ~~paragraph (2) of subdivision (b),~~ *clinic settings operated by, and*
19 *within the scope of project of, an FQHC* if both of the following
20 conditions are met:

21 (1) The arrangement for services has received prior written
22 approval by the director as necessary and appropriate to ensure
23 access to medically necessary services for Medi-Cal program
24 beneficiaries.

25 (2) The provision of FQHC services to FQHC patients remains
26 under the governance, administration, clinical management, and
27 quality assurance of the FQHC pursuant to written agreement
28 with the provider of the services.

29 (e) The director shall make a final determination on the written
30 request made pursuant to subdivision (d) within 30 days of
31 receipt of that request, subject to all of the following conditions:

32 (1) The FQHC demonstrates either that no providers of the
33 types of speciality services needed in the FQHC's catchment
34 area, as defined in subparagraph (B) of paragraph (1) of
35 subdivision (a) of Section 2546 of Title 42 of the United States
36 Code, are actively enrolled in the Medi-Cal program, or that
37 FQHC patients are unable to access speciality services within a
38 timeframe or geographic distance that is consistent with sound
39 medical practice.

1 (2) The provider is duly licensed under the Business and
2 Professions Code.

3 (3) The provider has not been denied enrollment in, or
4 suspended from, the Medi-Cal program pursuant to Article 1.3
5 (commencing with Section 14043), within the previous three
6 years.

7 (f) This section shall only be implemented to the extent that
8 federal financial participation is available.

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